

Yates Petroleum Corporation  
Eastern Shore "OV" Federal #1  
660' FNL and 1980' FEL  
Section 17 - T19S - R27E  
Eddy County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following ten items of pertinent information in accordance with USGS requirements:

1. The geological surface formation is quaternary alluvium.

2. The estimate tops of geologic markers are as follows:

San Andres	1640'	Atoka	9340'
Bone Springs	2900'	Morrow	9750'
Wolfcamp	7500'	Chester	10190'
Lower Strawn	9123'	T.D.	10250'

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Gas:	7550'	Water:	Approximately	120' - 200',	1200 - 1800'
	9360'				
	9770'				

4. Proposed Casing Program: See Form 9-331C.

5. Pressure Control Equipment: See Form 9-331C and Exhibit B.

6. Mud Program: See Form 9-331C.

7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connection.

8. Testing, Logging and Coring Program:

Samples:	10 ft. samples out from under surface casing to TD
DST's:	As Warranted
Mud Logging:	One man unit out from under intermediate casing
Logging:	CNL-FDC T.D. to casing with GR-CNL on to surface and DDL longs from T.D. to casing with min. R <sub>0</sub> T.D. to 6500'

9. No abnormal pressures to temperatures are indicated.

10. Anticipated starting date: As soon as possible after approval.